

ADMINISTRATIVE INTERNAL USE ONLY

Approved For Release 2002/04/10 : CIA-RDP80-00473A00200060004-4

DD/A Registry
77-1234

DIA
File Equip & Supplies
1 JAN 1977

MEMORANDUM FOR: Associate Deputy Director for Administration

FROM : James H. McDonald
Director of Logistics

SUBJECT : Sale of Agency Property to Its Personnel

1. The following is submitted for your information only.
2. While the sale of government property by departments directly to its personnel is discouraged, the General Services Administration (GSA), who is the executive agency for the disposal of non-military government property, recognizes that such sales can occasionally be to the advantage of the government. Therefore, GSA grants to department heads the authority to sell items of small value under whatever procedures they feel are appropriate and to the advantage of the government.
3. To arrive at an equitable price for an item, the Office of Logistics practice has been to solicit from GSA the average price received on the sale/auction of like equipment and to inspect the particular item to determine its condition. In the case of office machines, the trade-in value, regularly established by the suppliers, is used as a factor in arriving at an equitable cost. To avoid any later claim that the materiel was sold to an individual at less than a true market value, an additional 10 to 15 percent charge has been added to the final computation. The funds received from the sale are forwarded to the Office of Finance for transmittal to the Treasury.
4. Government employees may take advantage of GSA's public sale of government property. However, the method of sale normally encourages private business activities to purchase the materiel in bulk lots. Therefore, an individual can rarely acquire specific items and must assume all risks if the item is damaged or otherwise unserviceable.

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James H. McDonald

Approved For Release 2002/01/10 : CIA-RDP80-00473A00200060004-4

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